

1 **IN THE UNITED STATES DISTRICT COURT**

2 **IN AND FOR THE DISTRICT OF DELAWARE**

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4 **BAYER INTELLECTUAL PROPERTY**) **Civil Action**
5 **GMBH and BAYER PHARMA AG,**)
6 **Plaintiffs,**)
7 **v.**)
8 **WARNER CHILCOTT COMPANY,**)
9 **LLC, WARNER CHILCOTT (US),**)
10 **LLC, and WARNER CHILCOTT PLC,**)
11 **Defendants.**) **No. 12-1032-GMS**

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14 **Wilmington, Delaware**
15 **Friday, October 31, 2014**
16 **11:40 a.m.**
17 **Telephone Conference**

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19 **BEFORE: HONORABLE GREGORY M. SLEET, U.S.D.C.J.**

20 **APPEARANCES:**

21 **RICHARD D. KIRK, ESQ.**
22 **Bayard, P.A.**

23 **-and-**

24 **MATTHEW R. FORD, ESQ. (and other counsel)**
25 **Bartlit Beck Herman Palenchar & Scott LLP**
 (Chicago, IL)

26 **Counsel for Plaintiffs**

27 **STEVEN J. BALICK, ESQ.**

28 **Ashby & Geddes**

29 **-and-**

30 **ERIC R. SONNENSCHEIN, ESQ.**
31 **Covington & Burling LLP**
32 **(Washington, D.C.)**

33 **Counsel for Defendants**

1 THE COURT: Good morning, counsel. Who is
2 appearing for Bayer today?

3 MR. KIRK: Good morning, Your Honor. Dirk Kirk
4 from Bayer. I am joined by my colleagues at Bartlit Beck
5 Herman Palenchar & Scott. Of those, Matthew Ford will be
6 our principal spokesperson.

7 THE COURT: To the extent that there is going to
8 be any speaking other than me, okay, that is fine.

9 On the other side?

10 MR. BALICK: Your Honor, good morning. Steven
11 Balick from Ashby & Geddes. And I am joined by Eric
12 Sonnenschein from Covington & Burling.

13 THE COURT: Good morning.

14 Counsel, I am not sure that Nautilus stands for
15 the propositions that either one of you assert. But so be
16 it.

17 It strikes me that it is often the case that
18 colleagues of mine around the country who do a fair amount,
19 and even those who don't, of patent work entertain the
20 question of indefiniteness at the time of claim construction
21 and make rulings in that regard. It's not my practice to do
22 that. It has been my practice to handle that in the context
23 of summary judgment.

24 That said, it seems to me that this matter is
25 ripe for the filing of motions, or as suggested, the entry

1 of judgment and appeal. I am certainly not going to prevent
2 or prohibit Bayer from making an argument regarding
3 indefiniteness that they didn't get a chance to make at the
4 Markman proceeding. But I don't see the need for any
5 further testimony or discovery of an opinion type in this
6 case. The Nautilus Court, I think a pretty subtle opinion,
7 in terms of its addressing the standard with which it wasn't
8 so enamored that was being applied by the Federal Circuit,
9 but it does not tell District Judges that we must or must
10 not handle, in terms of process, the inquiry that we are
11 required to make in trying to determine the scope of the
12 claims of a patent.

13 I have and have been at liberty to take and
14 consider all kinds of extrinsic evidence. It's determined
15 by any individual judge who is empowered to do that, it
16 seems to me, by the previous decisions of the Federal
17 Circuit, as well as the Supreme Court, if that judge
18 determines it prudent to do so, for a variety of reasons.

19 I think I have made it pretty clear in my order
20 that in spite of having the benefit of the thoughts of those
21 of skill that I have been unable to construe certain of the
22 terms in the patent.

23 I really don't see the benefit of further
24 inquiry in the nature of expert opinion.

25 I will allow a brief opportunity for you to try

1 to disabuse me of that notion, but a very brief one,
2 counsel.

3 MR. FORD: Yes, Your Honor.

4 I think, to be very brief, the first would be
5 that expert testimony would provide the perspective of a
6 person of ordinary skill in the art at the time of the
7 patent application.

8 THE COURT: Isn't it still the case that, and
9 the Court didn't address this, the Supreme Court, isn't it
10 still the case that Vitronics is viable law?

11 MR. FORD: I am sorry, Your Honor?

12 THE COURT: Has Vitronics been overruled?

13 MR. FORD: No, Your Honor.

14 THE COURT: So patents, as we know, are drawn to
15 one of skill. Right? They are not drawn to you or me or
16 any other individual other than the person of skill in the
17 art. Right?

18 MR. FORD: That's right, Your Honor.

19 THE COURT: And the person of skill in the art,
20 when sitting down and reading a patent, trying to determine
21 how to design around or not infringe, doesn't have the
22 benefit of an expert declaration or transcript of some very
23 well-educated and experienced expert sitting down and
24 opining on the meaning of a particular claim, the
25 specification, the pros. history and those things that

1 experts look at in order to determine those things, in order
2 to move and advance the progress of science and the useful
3 arts. Right?

4 MR. FORD: I agree, Your Honor.

5 THE COURT: So, then, the patent is supposed to
6 have a public notice function, and I don't think that the
7 justices said anything to undermined that concept, and they
8 couldn't, because then they would be stepping out, way
9 outside of their authority in terms of the separation of
10 powers in our country. So I am just at a loss as to what it
11 is you are trying to suggest I must do, or, further, must do
12 further to construe these claims.

13 MR. FORD: Yes, Your Honor. I obviously agree
14 with your points.

15 I think where expert testimony would be helpful
16 is going back to the first part of your questions there,
17 which was that a person of ordinary skill in the art would
18 sit down with the patent to determine whether there is a
19 reasonably certain meaning. Here, what we have not had --
20 and I understand that a person wouldn't have the benefit of
21 a very skilled expert when looking at the patent -- but that
22 person would be a person of ordinary skill in the art.

23 What the evidence that we would intend to submit
24 as part of expert discovery here would be that understanding
25 of a person of ordinary skill in the art, which, while

1 looking at the patent itself, looking at the specification
2 and the prosecution history, has not been presented as part
3 of the case to date.

4 THE COURT: Counsel on the other side, briefly.

5 MR. SONNENSCHEIN: Well, I think all Your Honor
6 needs to do is look at the Markman hearing transcript, Pages
7 15 through 17 and 26 through 27. And you will see that Mr.
8 Ford, counsel for Bayer, told Your Honor the exact opposite
9 of what he is now arguing. He told Your Honor at the
10 Markman hearing, when Your Honor asked about the role of
11 expert testimony in evaluating the meaning of these claim
12 terms, whether that had a role. And opposing counsel for
13 Bayer told Your Honor it wasn't important.

14 We agree with your other point. A person
15 sitting down at the time of the invention would not be able
16 to go out and get an expert. It's all too easy for someone
17 20 years later to go out and hire an expert and say that
18 these terms had a known meaning to create a fact issue when
19 the question is what the meaning of these claim terms is.
20 It is a legal determination and it is one that would have
21 been made at the time of the invention.

22 THE COURT: Counsel, obviously, you have picked
23 up on -- it is a softball for you. That's okay.

24 But counsel for Bayer, I am not persuaded by
25 your points in the letter and/or today, albeit brief.

1 I will permit the parties to engage in briefing,
2 if you so choose. I think the more economic route to
3 resolution of this, as to whether Sleet is right or wrong on
4 this, is to accept the entry of judgment and take it up.
5 What's the matter with that? It saves your client some
6 money, at least theoretically, potentially.

7 MR. FORD: Your Honor, it certainly is a
8 proposal I will give to our client. I understand what you
9 are saying.

10 THE COURT: Okay. So, counsel, when would you
11 like to report back to me on your preference?

12 MR. FORD: You are referring to me?

13 THE COURT: I am.

14 MR. FORD: Is one week too long?

15 THE COURT: No. Unless the other side objects
16 and tells me --

17 MR. SONNENSCHEIN: No objection.

18 THE COURT: All right. Why don't you build into
19 that -- let's make it two weeks. Why don't you build into
20 that some time -- I know everybody is busy. This isn't the
21 only case counsel on the line has. Why don't you build into
22 that an opportunity to talk to one another, regardless of
23 whether you want to enter a stipulation for briefing or the
24 entry of judgment, and report back to me on your efforts and
25 the results of those conversations two weeks from today,

1 **which would be November 14. Okay?**

2 **MR. FORD: Thank you, Your Honor.**

3 **THE COURT: Anything else, counsel?**

4 **MR. BALICK: Your Honor, a quick question. What**
5 **is the manner you would prefer that we report back to you?**

6 **Would you like a letter, or just a stipulation that lays it**
7 **out either way?**

8 **THE COURT: I think a stipulation would be best,**
9 **Mr. Balick. That's a good point.**

10 **MR. BALICK: Certainly. Thank you.**

11 **THE COURT: Anybody else have anything else?**

12 **All right, counsel. Have a good weekend. Take**
13 **care.**

14 **(Conference concluded at 11:52 a.m.)**

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16 **Reporter: Kevin Maurer**

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